depended on our shipping, by adopting the policy of unrestricted submarine warfare. All mercantile shipping proceeding to and from Allied ports was to be sunk on sight without warning. Germany hoped, and not without reason, that four months of such warfare would make inroads upon the vital sea-borne supplies, not only of this country, but of the Allies, on a scale which would force us incontinently to sue for peace.

Declaration of unrestricted submarine campaign

Was it a wild conjecture at the time ? As early as the end of 1915, we were short of sufficient shipping tonnage to transport essential supplies for our forces and those of the Allies and for our own and our Allies' population. During 1916 the position became considerably worse.

Shortage of shipping

As soon as Germany intensified her submarine campaign in the early autumn of 1916 and sinkings began to increase, the prospect became so gloomy that Mr. Runciman, as President of the Board of Trade, warned the Cabinet that at the rate the Allied and Neutral shipping was being swept from the seas, we could not carry on much longer.

warnings

At a meeting of the War Committee held on 9th November, 1916, Mr. Runciman told us he had come to the conclusion that *a complete breakdown in shipping would come before June*, 1917.

No sooner had the Committee ad-
journed than he wrote a memorandum in which he said that he had revised his estimate as to the probable date of the breakdown, and that in his judgment he thought it must come much sooner.
In a further memorandum which he sent to the